

BUSY CITY INDUSTRIAL PARK LIMITED

BUSINESS PLAN FOR DEVELOPMENT & OPERATING INDUSTRIAL PARK

Plot No. 45, Block F, Dundani, Mkuranga District, Coastal Region

1.0 INTRODUCTION

This is a report for a business plan for BUSY CITY INDUSTRIAL PARK LIMITED for the purposes of development & operating a modern industrial park at **Plot No. 45, Block F, Dundani, Mkuranga District, Coastal Region**. The project promoters are sensitive to the look and feel of good industrial park as well as to high quality of the service to be provided by the industrial park which is being developed by BUSY CITY INDUSTRIAL PARK LIMITED, a registered Limited company incorporated under the Companies Act, 2002 on the 10th day of June 2024 and with registration No. 175388087.

The main role that is going to be assumed by BUSY CITY INDUSTRIAL PARK LIMITED is the development of industrial park infrastructure for leasing.

BUSY CITY INDUSTRIAL PARK LIMITED's mission is to always provide the best possible value to its customers who care about quality products, also to create and nurture a healthy, creative and respectful office and workshop environment, in which its employees are fairly compensated and encouraged to respect the customer and the quality of the product it produces.

1.1 BUSY CITY INDUSTRIAL PARK LIMITED MISSION

To become a leading industrial park services provider company providing high standards in service quality, safety and environment, innovative solutions and services to various industries and promote corporate and personal growth exceeding customer expectations.

1.2 BUSY CITY INDUSTRIAL PARK LIMITED MISSION VISION

To be a leader in Tanzania in trading, manufacturing, real estate, and industrial investments delivering customized and unique solutions ensuring time and cost savings for customers.

1.3 BUSY CITY INDUSTRIAL PARK LIMITED VALUES

BUSY CITY INDUSTRIAL PARK LIMITED, we believe the customer comes first; the company management is focused to ensure customer delight, superior quality of delivery and increased customer profitability.

At BUSY CITY INDUSTRIAL PARK LIMITED, our operation is based in Mkuranga district, Coast region, we practice an enduring value system based on an open culture, honest and fair business and personal conduct, earning the confidence and trust of our Associates and Customers.

At BUSY CITY INDUSTRIAL PARK LIMITED, we practice transparency with all agencies that we are involved with.

At BUSY CITY INDUSTRIAL PARK LIMITED, we value the importance of our colleagues, evolving a sense of togetherness and passion to deliver.

1.4 COMMITMENT TO SUCCESS

Endeavor to find solution and exceed customers' expectations.

1.5 TEAM PLAYERS

Possess positive attitude among ourselves, the customers and adopt company standards and system

1.6 COMPANY OWNERSHIP AND BOARD OF DIRECTORS

BUSY CITY INDUSTRIAL PARK LIMITED is promoted by ten shareholders who are very experienced in local and international business range from real estate development, import and selling, manufacturing etc.

Name	Shares %	Nationality
GONG XIAOHONG E-mail: cq19987700@foxmail.com Mobile: +255765789988 Residential address: China, People's Republic of, GUANGDONG, GONGAN, HONGTAI, JIANGMEN	60	Chinese
CHEN QICHUN E-mail Address: 120725607@qq.com Mobile: 8618666582037 Residential address: China, People's Republic of, GUANGDONG, GONGAN, HONGTAI, JIANGMEN,	20	Chinese
CHEN JIANBO E-mail Address: trade.ele.@126.com Mobile: 8615916579986 Residential address China, People's Republic of, GUANGDONG, GONGAN, HONGTAI, JIANGMEN,	20	Chinese

The board of directors of BUSY CITY INDUSTRIAL PARK LIMITED upholds values of its shareholders and operate within strict legal and ethical guidelines based on national statutes and international best practice standards.

1.6.1 GOVERNANCE & TECHNICAL PERSPECTIVE

The company is working under the auspices of the board of directors that oversees the governance and strategic part of the company, with the Managing Director on the ground giving strategic guidance and direction to ensure that the Company achieves its financial vision, mission and long-term goals. The MD is supported by four senior officers who supervise day-to-day operations of the company with the support of other technical and non-technical staff in different functions such as accounting and procurement management, engineering, construction and quantity survey to ensure that company and stakeholder's objectives are fulfilled

1.6.2 MANAGEMENT AND MANAGEMENT INFORMATION SYSTEM

The Managing Director leads the team of senior staffs designated as Chief Accountant, Estate Manager, Civil Engineer and Quantity Surveyor leading their designated departments under the support of other staff.

1.6.3 JOB CREATION

The company will nurture its employees and introduce measures to promote job satisfaction and career progression as the business grows, The direct job to be employed by BUSY CITY INDUSTRIAL PARK LIMITED in managing the industrial park is estimated employing **20** people and people to be employed by factories which will be located within industrial park is estimated to be **100** , an average of 20 employees for each factory and indirect jobs to be created by industrial parks is estimated to be more than **500** people

1.7 PROJECT INVESTMENT COST

BUSY CITY INDUSTRIAL PARK LIMITED plan to construct the industrial park

The value of project is indicated below:

BUSY CITY INDUSTRIAL PARK LIMITED PROJECT VALUE US\$

PARTICULAR	US\$
Land and Buildings	1,000,000.00
Machinery & Equipment	200,000.00
Motor Vehicles	80,000.00
Furniture & Fixtures	5,000.00
Pre exp	10,000.00
Others	5,000.00
Working Capital	80,000.00
TOTAL	1,380,000.00

1.8 PROJECT FINANCING

The total Costs of the project is estimated to be USD is **USD 1,380,000**, the shareholders of BUSY CITY INDUSTRIAL PARK LIMITED and cash generated from other business will contribute **US\$380,000** and the remaining amounting to **US\$1,000,000** to be sourced from financial institutions with bank interest of **8%** the loan to be repaid within 5 years.

1.9 PROJECT PROJECTED REVENUE

The company has estimated that the leasing within the park is estimated to be **US\$7** per square meter per month and **7,000** square meters will be available for lease

1.10 NUMBER OF FACTORIES

The size of the area is available for lease is 6,000Square meters, number of factories to be accommodated within the park are estimated to be **7** factories. These facilities are attractive to some of the investors who prefer to lease buildings rather than buy serviced land and thereafter, install their machinery and begin to operate their businesses.

1.11 THE VALUE OF FACTORIES IN THE INDUSTRY PARK

It is estimated that the average value of each factory in the industrial park is **US\$1.2m**, therefore; the total value of factories within the park is estimated to be **US\$8.2 m**, Majority of the invested capital will flow into the country as foreign direct investments (FDIs) that will stimulate economic growth and accelerate industrialization.

1.12 POWER REQUIREMENT

The industrial park on completion will require an average of **6.5** megawatt to be used by **7** factories in the industrial park

1.13 WATER REQUIREMENT

The management of BUSY CITY INDUSTRIAL PARK LIMITED has estimated that 253,393 liters of water will be required daily for 7 factories

The BUSY CITY INDUSTRIAL PARK LIMITED will process all applications for utilities' connections at the factory premises. BUSY CITY INDUSTRIAL PARK LIMITED will facilitate in obtaining electricity, gas, and telephone and water connections by coordinating with utility agencies and keep a follow-up on all matters relating to billing or any other issue.

1.14 ONE STOP FACILITATION CENTER

In order to make it efficiency, the management of BUSY CITY INDUSTRIAL PARK LIMITED is planning to have on one building to be used for administration purposes and facilitating investment and trade within the industrial park.

1.15 OTHER SERVICE

All facilities like water, electricity, gas and telecommunications will be made available as well as Peaceful, secure, environmentally protected, and pollution-free work area Inter-unit transfer

1.15.1 FACILITATION DESK

This desk will act like a reception center for all enquiries about the BUSY CITY INDUSTRIAL PARK LIMITED.

1.15.2 CLEARING/FORWARDING SERVICES

The BUSY CITY INDUSTRIAL PARK LIMITED will have approved clearing/forwarding agents holding valid Custom House Licenses and against deposit of BUSY CITY INDUSTRIAL PARK LIMITED fee.

1.15.3 CONSTRUCTION BYE-LAWS

The factories in the required zones are to be constructed in accordance with approved construction bye-laws.

1.15.4 ISSUANCE OF IDENTIFICATION TO INVESTORS

The VIP identification will ensure to the investors a hassle-free movement in the zone.

1.15.5 OTHER PUBLIC SERVICES IN THE ZONES

The Zone is will have, Restaurants, Parking lots etc.

1.15.6 COMPANY'S OWN BUSINESS FACILITATION SERVICE CENTRE (BFSC)

BUSY CITY INDUSTRIAL PARK LIMITED plans to establish a BFSC that will offer business facilitation services to investors at the park such as accounting services, tax services and facilitation of various permits, licenses and advising investors on compliance and regulatory requirements.

Continuous services to investors at the park. BUSY CITY INDUSTRIAL PARK LIMITED will be offering continuous services to investors at the park such as security services, waste collection, cleaning, and maintenance of public areas, as well as maintenance of the utility connections and other basic onsite infrastructure such as roads, water ways, etc.

1.16 GAS AND ROAD ACCESS TO INDUSTRIAL PARK

In order to reduce cost of production and reliability of power, the industrial park will need the services of natural gas from Tanzania Petroleum Development Cooperation (TPDC) to be available at the park .

1.17 PROJECT LOCATION

The Project is located at **Plot No. 45, Block F, Dundani, Mkuranga District, Coastal Region**. The location is the most crucial factor for the success of an Industrial Zone. Any investor investing in a zone will definitely want to reduce the cost of transportation in both ways i.e., for export of goods produced and import of raw materials. As shown above the BUSY CITY INDUSTRIAL PARK LIMITED is located 44 Kms from Dar es Salaam City Centre and the country's major Port and 50 Kms from Julius Nyerere International Airport (JNIA).

1.18 INDUSTRIAL TRENDS

The Analysis conducted revealed that in Tanzania currently there is a lack an adequate serviced land with full facilities to accommodate the growth of manufacturing sector in. BUSY CITY INDUSTRIAL PARK LIMITED Industrial Park Business come up with the proposed potential options for addressing this shortage include re-designation of industrial land, redevelopment of low-density commercial areas and/or more intensive use of infill or underused commercial sites.

1.19 PRODUCTION CAPACITY

BUSY CITY INDUSTRIAL PARK LIMITED industrial park will accommodate 7 factories being located within the industrial park

2.0 OVER VIEW OF INDUSTRIAL PARK

The 2030 Agenda for Sustainable Development recognizes the importance of inclusive and sustainable industrialization and the infrastructure that supports in eradicating poverty. However, premature de-industrialization has also become increasingly noticeable in developing countries with manufacturing having a decreasing share of the gross domestic product (GDP). By delivering public goods and the accompanying policy interventions in support of investment, industrial parks have acted as a catalyst to facilitate industrial development. It should be noted that industrial parks also contribute to Sustainable Development Goals through promoting socially and environmentally responsible industrialization within the parks themselves, as well as by demonstrating what is possible to the rest of the country. In this broad context, a number of trends have been shaping the future of industrial parks. Firstly, the increase in the number of industrial parks since the early 1990s has created competition to attract investment and pressure to offer ever better services. Secondly, increasing urbanization and the growth of residential and mixed-use areas in or adjacent to industrial parks has created pressure to better integrate them into their broader urban context. Thirdly, better management of environmental externalities in recent years, particularly in the context of increased awareness of climate change, has become an increasingly significant factor in business operations and decision-making for 'green growth' and resource-efficient 'circular economy' business models. Fourthly, the digital transformation, particularly in technologies related to Industry 4.0, presents opportunities and challenges for enterprises that actively embrace the trend and make an effort to stay abreast of the productivity gains. Furthermore, regardless of the industrial parks' ownership model, the private sector invariably plays a vital role, both as the parks' residents, and very often also as design consultants, construction contractors and as the managers of public projects. The participation of private firms provides critical expertise and, thereby reduces government risk. It is critical that industrial parks adapt to these trends successfully to achieve their objective.

The objective of industrial parks development should be part and parcel of a country's overall industrial policy. Industrial parks represent an effective industrial policy tool because many of their possible supportive policy components –investment policy, trade policy, finance, support for enterprises including incentives, physical infrastructure and superstructure, consultancy and training, workforce development, and R&D and innovation policy– are the same. In this sense, industrial parks can be utilized as industrial policy microcosms, either through the geographically-concentrated application of national industrial policy or through a dedicated subset of policies.

Indeed, establishing industrial support systems in parks is easier than it is at the countrywide level, due to the clustering of the enterprises they catalyze. Some of the more successful industrial park programmes have also developed mechanisms for addressing investment climate constraints. Some of the areas that industrial park legislation may cover include the following: Effective industrial park location criteria, including ensuring transportation and communication facilities and connections to markets; Quality physical infrastructure and brownfield superstructure in industrial parks, including through sound planning and development control framework; Rights with respect to the establishment, use and operation of infrastructure facilities within industrial parks; Investor eligibility and plot allocation; Investment incentives; Environmental obligations of industrial park developers, operators and users; and Organization of industrial park governance bodies. As there is constant global competition for increasingly scarce foreign direct investment (FDI), investment incentives have long been another public policy tool used in the pursuit of national and regional economic development goals through industrial parks. Investment incentives can be classified into three broad categories: Financial incentives (direct subsidies, grants and loans); Fiscal incentives (tax holidays and reduced tax rates); and other incentives (including subsidized land, infrastructure and services, as well as various regulatory concessions). The most common incentives in industrial parks are subsidized serviced land and infrastructure. However, fiscal incentives are also often frequently offered. Direct financial incentives are rarer. Regardless of their specific elements and levels, any industrial park investment incentives should take the following key considerations into account: Incentives have public opportunity costs, and they should thus be applied “smartly”; Incentives should be easy to use and transparent; Impact of incentives should be measurable; Incentives should be relevant to the specific conditions, endowments and comparative advantages of the host economy (e.g., location, Infrastructure, sectors)

2.1 THE CONCEPT OF INDUSTRIAL PARKS

The principal rationale for establishing an industrial park is to enable “industry to settle and develop at a specific location that is planned and improved to that effect”. Industrial parks are, for this reason, an important tool within a country’s broader industrial and infrastructure policies. The common definition of an industrial park is “a tract of land developed and sub-divided into plots according to a comprehensive plan with the provision of roads, transportation and public utilities, sometimes also with common facilities, for use by a group of manufacturers”. The term “industrial parks” is often also used however to cover a broad range of concepts, such as free-trade zones, export processing zones, special economic zones, hightech zones, free ports, enterprise zones, etc . The large number of terms and concepts associated with industrial parks is, among other reasons, the result of differences in the objectives, functions or forms of these parks, differences in the economic policy terminology of various countries, as well as the desire of certain industrial parks or programmes to differentiate themselves from the competition. Thus, any comprehensive definition of industrial parks must be sufficiently broad to reflect the variety within them.

2.2 PUBLIC POLICY ARGUMENTS FOR ESTABLISHING INDUSTRIAL PARKS

The public policy motivations for promoting industrial parks often derive from the industrial policies or strategies of national, state and local governments, seeking to induce industrial transformation, diversification and upgrading towards more competitive, sustainable and inclusive economies, through structural changes correcting for market failures⁸.

Industrial policy in general has the potential to enhance the competitiveness of the economy, enable the restructuring of existing sectors and allow enterprises to become more efficient, diversify the economy into new industrial sectors, integrate enterprises into global value chains, as well as to lead to gains in technology, know-

how and production methods. As such, industrial policy is cross-disciplinary and seeks to ensure coordinated action in many different policy areas with linked objectives, including through investment, trade, fiscal, financial, R&D and innovation, education, labour, infrastructure, transportation, energy and environmental policy measures. To ensure successful implementation, the industrial policy targets and policy performance criteria should be clearly defined. Some of the typical objectives of an industrial policy include the following:

- Facilitating production and employment;
- Attracting investment, integration into global value chains and facilitating exports;
- Promoting structural change, diversification of production into areas of comparative and competitive advantage, and productivity;
- Stimulating R&D and innovation, technological capabilities, the development of competitive human resources and the upgrading of enterprises;
- Development of physical infrastructure;
- Promoting sound environmental management in industry;
- Gender and social inclusiveness in employment and economic benefits of wealth creation; and
- Improving the effectiveness of public service delivery

A strong long-term government investment policy commitment is needed to ensure policy stability and success, as are proper dialogue and cooperation mechanisms between the central, regional and local governments, involving the private sector and civil society

Within the broader overall context of industrial and investment policy and their general goals, more specific policy motivations for industrial parks may include the following:

- **Developing the manufacturing sector:** A competitive manufacturing sector plays a key role in both economic growth and socio-economic transformation. Industrial parks can provide a favourable business environment to develop the manufacturing sector and to add economic value in economies that are heavily dependent on the production of unprocessed/semi-processed agricultural products or extractive resources. Industrial parks can also be used to create backward and forward linkages where an economy's raw materials and supplies flow to the park for processing. Agro-processing parks, for instance, have backward linkages to farmers and their raw materials, as well as forward linkages to food wholesalers, retailers and exporters.
- **Attracting investment and technology:** Industrial parks are an important tool for attracting investment and technology, given that some of the key factors that influence investment decisions are the availability of land, infrastructure, quality services and proximity to strategic markets. The technology transfer opportunities that foreign investment in particular can bring to an economy are crucial to improving production capacity through the associated transition from labour-intensive to technology-intensive production that often accompanies it.
- **Regional and national development:** Contributing to regional and national development is often a primary driver of the decision to establish industrial parks that foster new investment, industries, jobs, linkages and growth.
- **Improving the business environment:** Industrial parks can improve companies' productivity by reducing production costs, reducing waste and pollution, and generally increasing economic opportunities.
- **Fostering innovation:** Industrial parks create environments that foster collaboration and innovation by providing a location where the government, the private sector and universities and research institutes can collaborate, as well as conduct and commercialise research and reinforce entrepreneurship. Industrial parks

can also support entrepreneurs by incubating new businesses. The shared services offered by industrial parks can moreover reduce small business market entry barriers and facilitate access to seed capital

- Economic experimentation and demonstration. Industrial parks can serve as a test of economic reforms, new policies and approaches in a geographically-concentrated pilot area. Their demonstration effects can then, if successful, be replicated nationwide, along with the best practices drawn from these pilots and their demonstration effects then being applied to other industrial locations and businesses
- Community development. Industrial parks, as local economic hubs and growth centres with certain positive externalities, can (when properly designed) serve as platforms for delivering on broader local community goals, such as local employment creation, as well as transportation services, education and training, health care, mail and communication services, and others
- Promoting environmental safeguards. Industrial parks can offer the opportunity to decrease production costs through common infrastructure and systems, while also leading to increased materials, water and energy efficiency, including through waste recycling, water management and resource recovery. Eco-industrial parks can further reduce pollution and waste by applying pollution prevention, renewable energy, industrial symbiosis, and other environmental management methods and technologies

2.3 EMERGING TRENDS AFFECTING INDUSTRIAL PARKS

Inclusive and sustainable industrial parks can, when appropriately implemented, be an effective policy instrument to promote industrialisation and the structural transformation it brings. While they primarily serve to overcome high production and transaction costs stemming from lack of infrastructure, along with the focused complementary interventions their industrial agglomeration facilitates, industrial parks can also help reduce information asymmetries, facilitate access to finance, and help to strengthen regulatory institutions. By delivering these public goods and the accompanying policy interventions to support investment, industrial parks have been a catalyst in facilitating industrial development, including in East Asia's "tiger economies" and in China during the 1980s, as well as in Europe, the Americas and parts of South Asia since as far back as the 1960s.

A number of important emerging trends are shaping the future of industrial parks. There has been a sharp increase in the number of industrial parks across the globe since the early 1990s, creating competition among countries and their parks in attracting investment, and a resulting pressure to offer ever better services. Furthermore, increasing urbanisation and the growth of residential and mixed-use areas in or adjacent to industrial parks, has created pressure to better integrate them into their broader urban planning context. Moreover, better management of environmental externalities, in recent years, particularly in the context of increased awareness of climate change, has become an increasingly significant factor in business operations and decision making for 'green growth' and resource-efficient 'circular economy' business models. Fourth and finally, the digital revolution presents opportunities for productivity gains at the firm and industrial park operational levels alike.

Indeed, over the last few decades, manufacturers around the world have undergone a profound transformation – in terms of structure, technology and sectoral interlinkages. Changes in consumer demand, the nature of products and the economics of production have all contributed to a fundamental shift in the way companies do business¹⁶, and to reshaping the competitive landscape for manufacturing. Such change can be expected to continue apace. Going forward, industrial parks should therefore take into account such emerging trends as follows:

ONGOING COMPETITION FOR FOREIGN DIRECT INVESTMENT

Since the early 1990s, there has been a sharp increase in the number of industrial parks across the world, especially in industrialising and emerging economies. According to the database of the International Labour

Organization (ILO), the number of industrial parks worldwide increased from 29 in 1975 to 3,500 in 2006. Three out of every four countries have at least one industrial park. Maintaining competitiveness amidst domestic and global competition will continue to be a critical issue for industrial parks, their developers and their operators. The future industrial park will likely be one with ever higher quality infrastructure, along with superior services and superstructure, as these competing parks all strive to best satisfy the demands of enterprise

INTENSIFYING 'GREEN SHIFT'

Concern about environmental externalities is becoming an increasingly significant factor in business operations and decision-making. There is now a major emphasis on how to combine green growth with spatial planning initiatives. Furthermore, in order to curb environmental impacts and ensure productivity in resource-scarce environments, governments and businesses alike are looking to scale up resource efficiency and to implement cleaner production practices. Environmental considerations have therefore become a vital issue in the process of establishing new industrial parks as well as an impetus for retrofitting and upgrading existing ones to improve their environmental performance. These trends, and the environmental safeguards for the industrial zones they create, appear likely to become more and more accentuated over the coming years

INDUSTRIAL TOWNS

Industrial parks were traditionally built outside of the city limits due to lower land costs, the desire to avoid zoning incompatibilities with residential and commercial areas, and the ability to manage certain environmental externalities more effectively from such locations. Over time, however, many industrial parks have become industrialised towns or urban districts, as employees have settled in or near them. Adjacent areas have been transformed into towns and sometimes even cities, and local authorities have responded to this process by increasing urban services such as low-cost housing, medical care and education, as well as by allowing residential, retail and mixed-used zoning. The growth of commercial businesses and residential areas in or adjacent to industrial parks has meant that such places have taken on increasingly urban economic and social characteristics, with both the challenges and the opportunities that this presents for industry. Moreover, with rapid urbanisation all around the world, cities are expanding in all directions, such that industrial parks and their own boundaries have begun to meet and indeed blur.

These forms of urban development entail that industrial park development policies increasingly need to consider the implications and impacts of urban agglomerations, their features, and their requirements for sustainable development, as well as begin to incorporate these factors into their design and management approaches. This will ensure better integration between the parks and nearby urban centres and towns, not least as regards utilities, and social infrastructure and services

3.0 INDUSTRIAL PARK OPERATION AND MANAGEMENT

Industrial Park operation involves site and facilities management and maintenance, including ongoing investment promotion, performance monitoring and evaluation, and continuous improvement and reinvestment.

During the project's implementation phase however, the industrial park's management mainly focuses on coordinating actors, attracting investment, implementing DCR and initiating the sale or lease of land to residents. At the most basic level, industrial parks are meant to provide an integrated real estate solution for gaps in the market for serviced industrial land. In this context, they must, however, provide more than land and utilities, and offer a basket of services to support resident businesses. The operators must transfer developed land, ensure effective utilities connections and network management, and manage, maintain and repair all of the industrial park's facilities, or contract with specialized service providers to do so. Industrial Park operators must also supervise residents' own building construction on plots, if this is an option, plant installation and operations, provide environmental management services within the park, and ensure park security. Modern operators'

delivery of utilities and waste management services should be grounded in an understanding of eco-efficiency, by-product synergies and integrated waste management, in order to deliver properly-coordinated, clean and green services at the park-wide level.

Moreover, and especially if the State contributes to the industrial park programme in some manner (for instance through land, equity, subsidies or tax incentives), industrial parks and their operators may also be expected to provide a number of “public goods”, for instance in the form of services aimed at developing entrepreneurship, strengthening supply chains through linkage programmes, improving entrepreneur and/or resident workforce skills, ensuring employee care, etc. As integrated real estate solutions, industrial parks’ primary indicator of success is their occupancy level.

It is thus essential for industrial parks to attract resident firms and investment, and to this end must also:

- Marketing of the developed plots, ready-built factory shells and warehousing space, residential and commercial areas and facilities, etc.;
- Industrial Park brand image building;
- Contractual agreements with residents;
- Day-to-day operation of the park, including ensuring the efficient operation of all the general and specialized infrastructure and facilities therein;
- Facilities management and maintenance within the park, including facilities upgrades;
- Collection of common maintenance and operations fees and charges from users;
- Compliance with legal standards and requirements, including in particular as regards, environmental matters; and
- Supervision of the application and enforcement of internal development control rules by the park’s users

3.1.1 TRANSFER OF DEVELOPED PLOTS

The transfer of developed industrial plots, factory shells or warehouses can be done either through sales or leases. The decision to sell or to lease depends on prevailing land law or in the host jurisdiction, market preferences and the types of assets offered. Leasing provides the greatest market entry and exit flexibility, and the lowest financial barriers for park residents as it does not require a large down payment. From the standpoint of the industrial park developer, leasing has the disadvantage of facilitating short or medium-term exit from the industrial park, but it also has the critical advantage of providing a constant revenue stream and cash flow. The sales and leasing price of serviced land and facilities depends on the location of the industrial park, and the extent of the available infrastructural facilities within it. The following strategies are recommended when setting these prices:

- Prices should reflect prices prevailing in the local market;
- Prices should enable developer/operator cost recovery plus margin, in order to enable the financing of future industrial park expansion and/or upgrade needs, and incentivize the developer to make such investments; and
- Transparency in pricing is essential to uptake

3.1.2 LABOUR RELATIONS MANAGEMENT

Responsible labour relations management has a direct influence on the sustainability of industrial parks as it affects the size, morale and productivity of the workforce. Due emphasis should therefore be given to ILO Labour Standards, in particular the following aspects of labour relations management:

- Decent work - Industrial operators should ensure employees’ right to proper working conditions and such rights as equal pay for equal work. A widely-adopted practice in this respect is for operators to undertake

due diligence on the enterprises during the resident identification and approval processes, in order to identify firms with poor social and safety records;

- Labour unions - Labour unions should be permitted in industrial parks in accordance with the host countries' applicable rules and regulations; and
- Legal issues and dispute settlement - It is vital to establish a mutually-agreed dispute settlement mechanism for conflicts arising within an industrial park.

Industrial parks can and should however be leveraged as platforms that go beyond such basic protections of worker rights and safeguards, and promote superior standards of worker welfare, standards and practices to attract talent, enhance workforce skills, and contribute to quality jobs and a knowledge-based economy.

3.1.3 ENERGY MANAGEMENT IN PARK OPERATIONS

After park operation has begun, the use of renewable energy and low-carbon technologies, as well of industrial symbiosis where relevant, can be ensured through conducting ongoing energy audits to determine energy use. Industrial Park operators, in addition to regularly conducting such audits should support industries in implementing energy management systems and in identifying energy efficiency and renewable opportunities.

As industrial parks create clusters of energy consuming entities, industrial park operators can help optimize energy use through 'energy symbioses', by promoting energy saving practices, implementing energy management systems, and using clean and renewable energy. Therefore, due emphasis should be given to the following aspects of energy management:

- Matching energy supply and demand: To ensure that users in industrial parks have access to sufficient (but not an over-supply of) energy, it is essential to properly project and manage each user's demand, based on sound consumption-based systems. Modern Park operators therefore generally establish firm-level metering systems. Furthermore, prospective residents must provide energy demand and consumption plans as part of their application.
- Promoting of energy efficiency: As improvements in energy efficiency benefit both the industrial park in general as well as individual residents, industrial park operators are increasingly identifying opportunities to reduce energy consumption, for instance by stimulating and facilitating 'energy symbioses', and energy clustering and cooperation among residents. Such cooperation can be achieved through clustering buildings and processes, energy exchange, collective production and joint energy services. Surplus energy (e.g. heat, electricity, steam, biogas, etc.) from a plant can thus be transferred to other companies in the park (or even to nearby communities),
- Renewable and clean energy: Provision for the integration of renewables and clean energy in an industrial park should ideally be addressed during the feasibility study and planning phase, with systems built into park management thereafter in order to encourage the continued adoption and use of these technologies during park operation. Industrial Park managers should also, in all cases, at least establish programmes to identify opportunities to expand the utilization of renewable and clean energy. This can often be done by facilitating access to government subsidized preferential financing for renewable and clean energy transition or use, and/or government incentives for research and development initiatives related to clean energy.

3.1.4 MANAGEMENT MODELS

An industrial park can be developed and operated by the government – at the national, state or local level; by private enterprise – whether by a construction company developer or consortium, or manufacturers association; or by some sort of public-private partnership (PPP) – for instance through a joint venture between government and private enterprise. Different government ministries, public agencies and state-owned development and

facilities management corporations regularly invest in industrial parks, given the public interest they present for the economy.

The developer or owner, whatever its ownership structure, pays for the initial development of a park⁶⁴ and then, during the operations phase, leases or sells the developed and serviced plots and/or factory shells to private firms in order to recoup its costs. Furthermore, regardless of the industrial parks' ownership model, the private sector invariably plays a vital role in them, both as the parks' residents, and also very often as the design consultants, construction contractors and manager of public projects⁶⁵. This participation by private firms provides critical expertise and, in so doing, reduces government risk.

Where the operator is a separate entity from the site's owner or developer, the industrial park owner or developer is responsible for establishing and defining the industrial park operator's specific responsibilities, to be enshrined in an "Operator Agreement". There are three common industrial park management approaches:

- Management by public entity: Public management is a widely-adopted approach in many developing countries, where a government has a large economic stake in an industrial park. This can either be done directly by a Ministry, Agency or Authority, or through a commercially-oriented State-Owned Enterprise (SOE) or Special Purpose Vehicle (SPV). In the latter scenarios, the government owns, founds and invests in the company, giving the State strong influence over day-to-day decision-making regarding the park's operations;
- Management by private entity: Under this model, the park operator, a private company, is contracted by the industrial park's owner/investors, sometimes including resident firms that own plots and factory buildings in the park. This approach is mainly adopted where private investors have largely investments and/or own industrial parks. Private management contracts to specialized facilities management companies are also regularly established at government/state owned industrial parks; and
- Joint management by public and private entities: Industrial parks owned in public-private partnership are jointly managed by the government and private investors. While the power-sharing mechanism described in the SPV's Articles of Association allows the parties to divide responsibilities as they deem most appropriate, it almost invariably leaves day-to-day park management and technical decisions to the private partner(s), vesting the public partner(s) with land acquisition, compensation and resettlement, and government relations and interface (for instance around required permits).

4.0 THE MARKET

4.1 General Market Review

Market observations in reveal that there is still high demand for high quality industrial premises with readymade infrastructure, quality workmanship, quality design, and services available and affordable price are basic factors to attract investors in the industrial park

The following are the proposed industries in the BUSY CITY INDUSTRIAL PARK LIMITED

- Electronic products production
- Automotive Industry
- Ceramic Cum Tiles
- Composite Textile
- Pharmaceutical Industry
- Paper Industry
- Footwear Industry
- Woodworks etc

5.0 BUSINESS ANALYSIS

BUSY CITY INDUSTRIAL PARK LIMITED potential and capability for survival is based on the following facts:

- BUSY CITY INDUSTRIAL PARK LIMITED products and services are reputed for quality.
- BUSY CITY INDUSTRIAL PARK LIMITED workers have requisite capability and experience.
- The location of BUSY CITY INDUSTRIAL PARK LIMITED in Mkuranga District where natural gas services is available for energy production,

5.1 PLANNED OBJECTIVES

The planned objectives are meant for the serviced plots in the industrial park soft with basic facilities that will satisfy clients' needs.

5.2 STRATEGIES

In order to achieve the above objectives, it is planned to implement the following strategies;

- Equip the project adequately by installing state-of –the-art facilities and support infrastructure;
- Institute a preventive maintenance programme;
- Develop and implement an effective marketing policy-Target Marketing; develop and implement an advertising and promotional programme;
- Establish an effective financial and resources management.

6.0 ROLES OF PARTIES IN THE PROJECT

6.1 BUSY CITY INDUSTRIAL PARK LIMITED shall:

- Comply with all project consents and approvals from relevant authorities to the extent they are relevant to the works.
- Ensure all approvals and license requirements are valid and up to date
- Wherever possible, use local resources to benefit the local and wider community.
- Work alongside the respective local authorities to ensure timely construction, delivery and connection to statutory services
- Exercise all reasonable skill and care in performing the services and ensure that the services are performed in accordance with Good Industry Practice for residential, commercial and retail mixed-use developments
- Employ and consult with leading market individuals, with the required knowledge and technical experience to deliver this best-in-class development.

6.2 Investors shall: -

- Ensure that they are financially capable to establish the intended projects
- Operate the projects in accordance with the tenancy agreement.
- Establish the legal, operational and financial structure of the eventual "Owners" that will take over the facilities management of the community upon completion

6.3 The role of Government

6.3.1 Providing electricity required in the industrial park

TANESCO to install a dedicated power substation for BUSY CITY INDUSTRIAL PARK LIMITED industrial park. Immediate requirement is 6.5MW .

6.3.2 Provide water utility facility at the park

The Industrial Park is estimated that 253,393 liters of water will be required daily for 7 factories which need the infrastructure to be developed by the Government and connected to the park

6.3.3 Provide sewage system at the park

7 factories at the park will need reliable sewage system infrastructure to be developed by the Government up to the park, BUSY CITY INDUSTRIAL PARK LIMITED will be required to connect. Sewage infrastructure is public infrastructure which need to be in place so that to facilitate the industrial park to operate efficiently meeting standard requirement

6.3.4 Gas infrastructure

As the world becomes more and more industrialized, the need for a reliable energy source to fuel various production processes becomes increasingly important. Natural gas is considered a great alternative to more damaging energy sources such as oil and coal. It's a naturally occurring hydrocarbon that's formed deep below the earth's surface, and includes methane, nitrogen, carbon dioxide, and other hydrocarbons within it. It is used to fuel power stations that keep homes and businesses heated, cooled, and cooking, but it's also become a trusted energy source for many industrial processes. The benefits of adopting natural gas as a reliable energy source don't, however, end there. That's why we are requesting the Government to provide gas infrastructure to the park where there will be not less than 7 factories

6.3.5 Exemption from pre-shipment and destination inspections by TBS as well as exemption from payment of inspection fees for all project goods of BUSY CITY INDUSTRIAL PARK LIMITED Industrial Park

6.3.6 Waiver of customs inspection at the Port for all project goods and materials. Where customs inspection is conducted on a sample basis, such to be undertaken at the project site.

6.3.7 Customs facilitation through bonded warehouse

6.3.8 Government to develop infrastructure to connect project site access roads of 8km from main road to the park.

6.3.9 Government's support in the promotion of the industrial park to potential investors locally and internationally.

6.3.10 Intellectual property rights protection, which includes the Anti-Counterfeit and Trademarks rights

6.3.11 Industrial Park Enterprises be entitled an initial automatic immigrant quota of up to 10 persons per entity.

7.0 FINANCIAL APPRAISAL

The company's financial projections have been prepared over the period of eight years. As mentioned, US\$ 1 bank loan is expected to be sought from financial institution during the initial stage of the project implementation period.

7.1 FINANCIAL REVIEW

The financial review as shown on appendices attached to this document of BUSY CITY INDUSTRIAL PARK LIMITED business shows that: -

- The project is profitable;
- The liquidity position is sound and that it should be able to meet its financial commitment without any undue difficulty;
- The operations are financially viable;
- The key ratios are acceptable.

8.0 SUMMARY AND CONCLUSION

The Business Plan should be given an opportunity to be implemented as conceived in this presentation.

8.1 KEYS TO SUCCESS

- Uncompromising commitment to the quality of the end product and creativity.
- Successful niche marketing: the project needs to find the quality-conscious customer in the right channels, and the need to make sure that customers can easily seek for the services provided by the project.

- Fully serviced plot with all readymade basic infrastructure and facilities that will make customers feel better about the quality, not worse and also flexibility of term of payment

9.0 FINANCIAL APPRAISAL

The company's financial projections have been prepared over the period of eight years.

10.0 IMPLEMENTATION

It is expected that the project will be implemented in two-year period that involves construction and other civil works, power and water network improvement in year 1 and from year 2 more concentration will be given to finishings and land scaping. The project is expected to be implemented in two years.

11.0 ASSUMPTIONS

The financial projections to determine the viability of the project by **BUSY CITY INDUSTRIAL PARK LIMITED** are based on the following key assumptions:

- Construction of industrial park plant will start immediately.
- The company market will be for foreign and local investors local.
- Financial calculations are based on current market prices and costs are assumed constant throughout the operating period under review on the assumption that if operation costs change, leasing prices will change proportionally to preserve the profit margins.

12.0 FINANCIAL AND ECONOMIC ANALYSIS

12.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied, it is assumed to be 10% annual depreciation.

It is assumed that the major building raw material will be procured from local market and other will be imported. Revenues have been conservatively estimated based on experience of the promoters and trends in the real estate industry.

8 years financial projections have been worked out

12.2 Projected Rental Revenue

For projection purposes, it is assumed that the economic life of the project is 8 years, and that revenue from business commence from the first year of operation

12.3 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 8 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from negative US \$ 290,570 in first to **US \$ 2,753,713** in 8th year

12.4 Projected Cash Flows

This is shown in the Projected Cash Flows Statement. They indicate that the project will meet its entire financial obligation, the net cash flow in the first year rise from **US\$ 329,070** and grow up to **US\$ 3,151,313** in 8th year,

12.5 Projected payback period

Total investment is US \$ 1,380,000, cash accumulation in year 5 is **US\$. 1,692,728**. which more than the initial investment costs

13.0 ECONOMIC ADVANTAGES

On the basis of the above account the analysis has overwhelmingly proved that the project is financially sound and techno-economically viable.

Furthermore, the project has immense potential towards the earning of the badly needed Forex earnings. It is hereby recommended that the project be implemented. The envisaged undertaking will be viable and profitable if it is implemented early.

Full execution of the envisaged project will make it one of the upcoming manufacturing companies in the country which will contribute to economic and social development in terms of employment, economic activities and infrastructure development.

Several Social Economic benefits that will be apprehended in the course of operating this undertaking will include the following:

14.0 SOCIAL AND ECONOMIC IMPACT OF THE PROJECT

The project will have both economic and social benefits to the community and the country as a whole. The first and foremost important benefit will be to the Municipality in which the industrial will be located with potential for increasing the standard of living for people in that particular area. The following are the benefits of the project: -

14.1 EMPLOYMENT EFFECT

The project will create employment to both skilled, semi-skilled, unskilled staff and casual labourers. The company will also create employment opportunities to locals. The employees will also benefit from contribution by the employer for social security fund. In addition, the plant operations will increase activity levels consequently trigger income spillover effect to the neighbouring people.

14.2 CONTRIBUTION TO GOVERNMENT REVENUE

The project will contribute to the Government reserve in form of taxes, payroll levy, land rent, and other taxes and duties on local and export sales. In addition, the project will have a multiplier effect in the economy as a whole.

14.3 PROJECT SENSITIVITY TO ENVIRONMENT

The environmental impact assessment is a key guide to this project. In that sense the project will do thorough research on the nature of the environment around the site and by means of national guidelines, use all means possible to keep the environment natural within the project area. No interruptions will be done unnecessarily and where necessary the highest precaution will be made.

14.4 MITIGATION MEASURES TO ENVIRONMENTAL ISSUES

Under normal circumstances the project will have no any serious negative environmental impact which will be realized in the short- or long-term periods.

- Solid Waste Management: Usually, waste management costs include both capital investment and operating costs. The latter generally comprises the cost of labor, tax and consumables, the cost of energy, in addition to other items. The operating costs assigned to waste management are usually very small, whereas capital costs have a significant share.

- Waste Water (Odor): No waste water shall be allowed to enter into any stream that flows in the neighbourhood of the project site.
- Vibration: All measures will be taken in the project site to keep vibration well below level. (Vibration is the range of frequencies from 1 Hz to 25 kHz.)
- Gardening: Most of the un-built-up area will be put under gardening that shall be well-maintained with flowers and trees of various species.
- Dust & Noise: All efforts shall be taken to maintain low levels of dust emission and noise.

The project is therefore environmentally friendly, as it preserves it, develops it and cares for its sustainability.

15.0 CONCLUSION AND RECOMMENDATION

The project is consistent with the governments Industrial Policy, financially and economically viable, socially desirable and environmentally friendly, hence it is recommended for approval and obtain strategic status

FINANCIAL STATEMENTS
BUSY CITY INDUSTRIAL PARK LIMITED PROJECTED INCOME STATEMENT US\$

	1	2	3	4	5	6	7	8
Revenue	504,000	529,200	555,660	583,443	612,615	643,246	675,408	709,179
Operating Expenses:	50,400	52,920	55,566	58,344	61,262	64,325	67,541	70,918
Profit before Depreciation & Interest	453,600	476,280	500,094	525,099	551,354	578,921	607,867	638,261
Interest	8,000	64,000	48,000	32,000	1,600	-	-	-
Depreciation	30,500	30,500	30,500	30,500	30,500	30,500	30,500	30,500
Gross Profit	415,100	381,780	421,594	462,599	519,254	548,421	577,367	607,761
Tax (30%)	124,530	114,534	126,478	138,780	155,776	164,526	173,210	182,328
Profit After Tax	290,570	267,246	295,116	323,819	363,478	383,895	404,157	425,433
Accumulated Profit	290,570	557,816	852,932	1,176,751	1,540,228	1,924,123	2,328,281	2,753,713

BUSY CITY INDUSTRIAL PARK LIMITED PROJECTED CASH FLOWS US\$

SOURCES:		1	2	3	4	5	6	7	8
Profit before interest and depreciation	-	453,600	476,280	500,094	525,099	551,354	578,921	607,867	638,261
Equity	380,000								
Loan	1,000,000								
Total Sources	1,380,000	453,600	476,280	500,094	525,099	551,354	578,921	607,867	638,261
Applications:									
Capital expenditure	1,285,000	-	-	-	-	-			
working Capital & Others	95,000								
Cash	-	329,070	361,746	373,616	386,319	395,578	414,395	434,657	455,933
Tax	-	124,530	114,534	126,478	138,780	155,776	164,526	173,210	182,328
Sub total	1,380,000	453,600	476,280	500,094	525,099	551,354	578,921	607,867	638,261
Total applications	1,380,000	453,600	476,280	500,094	525,099	551,354	578,921	607,867	638,261
Accumulated cash		329,070	690,816	1,064,432	1,450,751	1,846,328	2,260,723	2,695,381	3,151,313

BUSY CITY INDUSTRIAL PARK LIMITED PROJECTED BALANCE SHEET US\$

Fixed Assets	-	1	2	3	4	5	6	7	8
Opening balance	-	1,285,000	1,254,500	1,224,000	1,193,500	1,163,000	1,132,500	1,102,000	1,071,500
Total Long-term Assets	-	1,285,000	1,254,500	1,224,000	1,193,500	1,163,000	1,132,500	1,102,000	1,071,500
Less depreciation	-	30,500	30,500	30,500	30,500	30,500	30,500	30,500	30,500
Closing balance	-	1,254,500	1,224,000	1,193,500	1,163,000	1,132,500	1,102,000	1,071,500	1,041,000
Working capital	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000
Accumulated cash	-	329,070	690,816	1,064,432	1,450,751	1,846,328	2,260,723	2,695,381	3,151,313
Total assets	95,000	1,678,570	2,009,816	2,352,932	2,708,751	3,073,828	3,457,723	3,861,881	4,287,313
Financed by									
Equity	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000
Accumulated profit	-	290,570	557,816	852,932	1,176,751	1,540,228	1,924,123	2,328,281	2,753,713
Total equity	380,000	670,570	937,816	1,232,932	1,556,751	1,920,228	2,304,123	2,708,281	3,133,713
Long term loan	1,000,000	800,000	600,000	400,000	200,000	-	-	0	0
Total debts	1,000,000	800,000	600,000	400,000	200,000	-	-	-	-
Total equity and debts	1,380,000	1,470,570	1,537,816	1,632,932	1,756,751	1,920,228	2,304,123	2,708,281	3,133,713

BUSY CITY INDUSTRIAL PARK LIMITED PROJECTED COST STRUCTUR

PARTICULAR	US\$
Land and Buildings	1,000,000.00
Machinery & Equipment	200,000.00
Motor Vehicles	80,000.00
Furniture & Fixtures	5,000.00
Pre exp	10,000.00
Others	5,000.00
Working Capital	80,000.00
TOTAL	1,380,000.00

BUSY CITY INDUSTRIAL PARK LIMITED PROJECTED FIXED ASSETS US\$

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	1,000,000	980,000	960,000	940,000	920,000	900,000	880,000	860,000
Machinery, Tools & Equipment	200,000	198,000	196,000	194,000	192,000	190,000	188,000	186,000
Motor Vehicles	80,000	72,000	64,000	56,000	48,000	40,000	32,000	24,000
Furniture & Fixtures	5,000	4,500	4,000	3,500	3,000	2,500	2,000	1,500
Total	1,285,000	1,254,500	1,224,000	1,193,500	1,163,000	1,132,500	1,102,000	1,071,500
DEPRECIATION	1	2	3	4	5	6	7	8
Land and buildings	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Machinery tools & Equipment	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Motor Vehicles	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Furniture & Fixtures	500	500	500	500	500	500	500	500
ANNUAL DEPRECIATION	30,500	30,500	30,500	30,500	30,500	30,500	30,500	30,500

BUSY CITY INDUSTRIAL PARK LIMITED PROJECTED LONG TERM LOAN REPAYMENT

Year	principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
1	200,000.00	80,000.00	280,000.00	1,000,000.00
2	200,000.00	64,000.00	264,000.00	800,000.00
3	200,000.00	48,000.00	248,000.00	600,000.00
4	200,000.00	32,000.00	232,000.00	400,000.00
5	200,000.00	16,000.00	216,000.00	200,000.00

BUSY CITY INDUSTRIAL PARK LIMITED PROJECTED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	290,570	30,500	321,070	321,070
2	267,246	30,500	297,746	618,816
3	295,116	30,500	325,616	944,432
4	323,819	30,500	354,319	1,298,751
5	363,478	30,500	393,978	1,692,728